

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

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R E P O R T
OF THE
INDIAN TARIFF BOARD
ON THE
SAGO (TAPIOCA GLOBULES) INDUSTRY
BOMBAY ^{पुणे}
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CONTENTS

	Page
Application for protection and reference to the Board	1
Terms of reference	2
Scope of the inquiry	3
Method of inquiry	3
History of the industry	4
Raw materials	5
Process of manufacture	7
Uses of the product	8
Domestic demand	8
Indigenous production	9
Quality of the indigenous product	9
Imports	11
Import control	11
Existing rates of duty	11
Board's estimate of cost of production and fair selling price	12
C.i.f. prices and landed cost	14
Comparison between c.i.f. price and fair selling price	14
Measure of protection	15
Proposed changes in the Tariff Schedule	16

Para.		page
20.	Subsidiary recommendations	16
21.	Eligibility for protection	19
22.	Burden of protection	21
23.	Watch to be maintained over the progress of the industry	21
24.	Summary of conclusions and recommendations	21
25.	Acknowledgements	24

APPENDICES

I.	Ministry of Commerce Resolution No. 1-T(4)/49, dated 12th May, 1950.	
II.	List of the firms or associations to whom questionnaires were issued and of those who replied to the questionnaire or sent memoranda.	2
III.	List of the persons who attended the public inquiry held on 29th May, 1950.	31
IV.	List of tapioca globules manufacturers.	32
V.	Statement showing the break-down of landed cost into c.i.f., customs duty & clearing charges of sago globules.	
VI.	Ministry of Commerce Resolution No.30-T(1)/48, dated 8th August, 1948.	

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE
R E S O L U T I O N
(Tariffs)

New Delhi, the 16th September 1950.

No. 12(4)/T.B/50 - The claim of the Sago Industry to protection or assistance was referred to the Tariff Board for investigation and report in May 1949. The Board has submitted its report. The scope of the inquiry includes only Tapioca Globules, popularly known as "Sabudana" or "Java Arsi".

2. The Board's recommendations are as follows:-

"(1) A protective duty of 35% *ad valorem* on the basis of the current tariff value of Rs. 30 per cwt. should be imposed on the imports of sago globules and tapioca pearls from the British Colonies and the duty should remain in force up to 31st December, 1952. In order to restore the existing margin of preference in favour of British Colonies, the standard rate of duty should be increased to 47% *ad valorem*. If and when the tariff value is altered during the period of protection, the protective duties should be so adjusted as to ensure to the industry the same quantum of protection as recommended above."

(2) The relevant item of the First-Schedule to the Indian Customs Tariff should be suitably amended.

- (3) Steps should be taken to maintain separately import statistics relating to sago globules and tapioca pearls in terms of quantity and value.
- (4) So long as import restrictions continue to be maintained for balance of payments considerations, imports of sago globules and tapioca pearls should be carefully regulated with due regard to the domestic production of these articles and the prospects of its further expansion.
- (5) Government should give every assistance which the industry may need in securing facilities for the training of its skilled workmen in Singapore and Penang.
- (6) If and when the production of tapioca globules is stepped up appreciably and there is a substantial decrease in the cost of production, necessary facilities should be granted to the industry for exporting the surplus left over after meeting fully the domestic demand.
- (7) The Governments of Madras and the United States of Travancore and Cochin should take concerted steps to increase the output of tapioca root in their respective States and maintain up-to-date records relating to tapioca production in their States.
- (8) The industry should obtain the services of a foreign expert or send its technicians abroad for further training, so that necessary improvement in the quality of its product may be effected and the cost of production appreciably reduced.
- (9) The Sago manufacturers at Salem should institute a single buying agency on a co-operative basis to purchase the entire quantity of tapioca

roots required by the industry and to distribute it among the various units according to their productive capacity.

- (10) The Salem Sago Manufacturers' Association should take early steps to collect and maintain, with regard to each unit of the industry, up-to-date statistics relating to its capacity, actual monthly production, sales, selling prices, the prices and supplies of the raw material and other cognate matters and submit to the Board on behalf of its members, every six months, progress reports giving detailed cost data and statistics of their production, sales, stocks, selling price of tapioca globules and such other information regarding the supply of raw materials and other factors as may have a bearing on the efficiency of this industry.

3. Government accept recommendation (1). Government also accept recommendations (2)-(6) in principle and steps will be taken to give effect to them as far as possible. As regards recommendation (1), as the margin of preference guaranteed under the Indo-U.K. Agreement of 1939 is only 10% *ad valorem* the standard rate of duty will be fixed at 45% *ad valorem* instead of 47% as recommended by the Board. Recommendation (7) will be brought to the notice of the States concerned. The remaining recommendations concern the industry and their attention is invited to them.

REPORT ON THE SAGO (TAPIOCA GLOBULES) INDUSTRY

1. An application for protection or assistance to the

Application for protection and reference to the Board. Sago industry was made to the Government of India, Ministry of Commerce, by the Salem Sago Manufacturers' Association,

Salem, in their memorandum dated 27th

April, 1949. In this memorandum, the Association drew the attention of Government to the difficulties which the industry had to face as a result of large-scale imports of sago globules in the country and asked for the following assistance:

- (i) The import of tapioca and its products from foreign countries should not be allowed into India in any form and by any name such as starch, starch flour, starch powder, sago flour, farina and tapioca pearls and sago seeds of any kind;
- (ii) the export of tapioca and its products should be allowed when production increases sufficiently to leave a surplus; and
- (iii) pending a detailed investigation, immediate action should be taken by Government to impose a temporary ban on the import of sago seeds and tapioca products and thus help the revival of the indigenous industry which had suffered consider-

After a preliminary scrutiny, the Government of India, in the Ministry of Commerce, remitted to the Tariff Board for investigation the claim of the sago industry to protection or assistance in their Resolution No. 1-T(4)/49, dated 12th May, 1949 (*vide* Appendix I), read with paragraphs 2 and 7 of the Department of Commerce Resolution No. 218-T(55)/45, dated 3rd November, 1945 and paragraph 4 of their Resolution of the same number, dated 16th February, 1946.

2. Under the Board's terms of reference as given in
 Terms of the Government Resolution dated 3rd November
 reference. 1945, the Board has to satisfy itself-

- "(1) that the industry is established and conducted on sound business lines; and
- (2) (a) that, having regard to the natural or economic advantages enjoyed by the industry and its actual or probable costs, it is likely, within a reasonable time, to develop sufficiently to be able to carry on successfully without protection or State assistance; or
- (b) that it is an industry to which it is desirable in the national interest to grant protection or assistance and that the probable cost of such protection or assistance to the community is not excessive."

Where a claim to protection or assistance is found to be established, *i.e.*, if condition (1) and condition (2) (a) or (b) are satisfied, the Board may recommend-

- (i) whether, at what rate and in respect of what articles, or class or description of articles, a protective duty should be imposed;

- (ii) what additional or alternative measures should be taken to protect or assist the industry, and
- (iii) for what period, not exceeding three years, the tariff or other measures recommended should remain in force.

In making its recommendations, the Board has to give due weight to the interests of the consumer in the light of the prevailing conditions and also consider how the recommendations affect industries using the articles in respect of which protection may be granted.

3. Only tapioca globules are manufactured by the indigenous manufacturers. The imported article the inquiry. is manufactured out of tapioca or sago, and is sold in India as sago globules, popularly known as 'Sabudana' in North India and as 'Java Arsi' in South India. The inquiry is, therefore, confined to tapioca globules, commercially known as Sabudana or Java Arsi.

4. (a) The Board issued a press communique on 6th June, 1949, inviting producers and others interested in the manufacture of sago (tapioca globules) to obtain copies of the preliminary questionnaire from the Office of the Board. In its press communique dated 17th December, 1949, the Board asked the producers, importers and consumers as well as others interested in the industry directly or indirectly, who desired that their views should be considered by the Board, to forward their representations. A list of the persons, firms and associations to whom questionnaires were issued and from whom replies were received is given in Appendix II. The Ministries of Industry and Supply and Agriculture, Government of India, the Indian Council of Agricultural Research, the Subsidiary Food Production Committee, and the Director of Industries, Madras, were also requested to furnish memoranda giving their views on the various issues involved in the inquiry. Information with regard to the import control policy of Government was called for

from the Chief Controller of Imports, New Delhi. The Collectors of Customs, Bombay, Calcutta, Madras and Saurashtra were requested to furnish the data regarding the c.i.f. prices and landed costs of imported sago globules.

(b) The following two factories were selected by the Board for cost investigation:

1. M. Venkatachalam (Sago) Manufacturers, Salem.
2. Shri Venugopal Rice and Oil Mills, Namagiripet, Salem.

The accounts of these factories were examined in detail by Mr. S. V. Rajan, the Cost Accountant attached to the Board, in consultation with Mr. S.S. Mehta, the Board's Technical Adviser, from 16th to 18th February, 1950.

(c) Dr. B. V. Narayanaswamy Naidu, Member of the Board, visited the following three factories at Salem on 19th May 1950:

1. M. Venkatachalam (Sago) Manufacturers;
2. Shri Venugopal Rice and Oil Mills; and
3. Muniswariar Mills Sago Factory.

On the same day, Dr. Naidu discussed with the representatives of the Salem Sago Manufacturers' Association the main problems of the industry. Mr. N.P.V. Nair, one of the Senior Economic Assistants of the Board, was deputed to visit Salem from 14th to 22nd May, 1950, for the purpose of collecting necessary data regarding the industry, on the spot. The public inquiry was held on 29th May, 1950, at the Board's office in Bombay. A list of persons who attended the inquiry and tendered evidence before the Board is given in Appendix III.

5. In their memorandum, the Directorate-General of Industries and Supplies have stated that it is History of the industry, a misnomer to call the indigenous tapioca industry as sago industry, as the raw material used by it is tapioca and not sago. The representatives of

the industry, however, pointed out during the public inquiry that even the so-called sago globules imported from Malaya were manufactured out of tapioca and that, it was not improper to call the indigenous product also by the same name. Prior to the last world war, sago globules used to be imported into India in large quantities from Penang and Singapore. Subsequently, however, when these areas fell into the hands of the Japanese, supplies of sago globules from these sources were cut off. It was under these circumstances that the manufacture of tapioca globules was started in 1943 in the Salem District of Madras. Taking advantage of the scarcity of sago globules in the country, about 100 factories were started on cottage basis, of which about 20 employed motive power and 80 worked entirely with manual labour. Some of the rice mills which had closed down owing to the paucity of paddy also switched over to the manufacture of tapioca globules. The imposition of a ban by the Government of Madras in 1946 on the movement of tapioca and its products from the Madras State, due to shortage of foodgrains in the State, had an adverse effect on the growth of the industry. The ban was, however, lifted in August 1948. The industry also received a severe set-back when sago was put on O.G.L. XI from July 1948 to May 1949. During this period, a number of small units had to close down owing to foreign competition, while others had to curtail their production. At present, there are over 40 units engaged in the production of tapioca globules (*vide* Appendix IV).

6. (a) Tapioca root is the only raw material required for the manufacture of tapioca globules. It is largely grown in the United State of Travancore and Cochin and, to a lesser extent, in the Salem, North Arcot, Tanjore and Tiruchirapalli districts of the Madras State and in certain parts of Malabar. The Government of the Union of Travancore and Cochin have imposed a ban on the movement of tapioca out of the Union, due to the prevailing food shortage there. No such ban, however,

is in force at present in the State of Madras. Accurate statistics of the total acreage under tapioca cultivation and the actual yield of tapioca roots per annum are not available. During the public inquiry, it was estimated that the total acreage under tapioca cultivation in Travancore and Cochin was about 5 lakhs, while the area in the rest of South India was 40/50,000 acres. The yield per acre was stated to be 5 tons in Travancore and Cochin, while in other parts of South India it was much less. Tapioca root is not used as an item of food in the Salem District and its neighbourhood and, practically, the entire production of tapioca root in these areas is consumed by the tapioca globules industry in Salem. In the United State of Travancore and Cochin, however, tapioca root is used as a supplementary food by the poorer classes. Tapioca root is also one of the substitute raw materials for the production of starch. The starch industry has already been established in the country. With the development of tapioca globules, starch and other subsidiary industries, the demand for tapioca root is bound to increase. Moreover, in view of the prevailing food shortage in the country, it is necessary to increase our food resources and an increase in the output of tapioca root is desirable for that reason also. Even the present yield of five tons of tapioca root per acre attained in the United State of Travancore and Cochin is not satisfactory when compared with the output of 10 to 15 tons per acre in Java, Malaya and the Philippines, where intensive cultivation on a plantation scale has been in progress for a number of years. We are of the opinion that with suitable research and assistance, it should not be difficult to improve the yield of tapioca root and also to bring new land under tapioca cultivation. We, therefore, recommend that the Governments of Madras and the United State of Travancore and Cochin should take concerted steps to increase the output of tapioca root in their respective States. In view of the diverse uses to which tapioca roots can be put, it is necessary that proper and reliable statistics of the acreage under tapioca

cultivation and of the total output of tapioca roots should be maintained. We recommend that the Governments of Madras and the United State of Travancore and Cochin should collect and maintain up-to-date records relating to tapioca production in their States.

(b) During the last three years, the prices of tapioca roots have fluctuated very widely. In 1946-47 the price ranged from Rs. 1-6-0 to Rs. 1-8-0 per maund of 25 lbs. In the next two years, it rose to Rs. 1-8-0 to Rs. 2/-, while the present price varies from Rs. 2/- to Rs. 2-8-0 per maund. During a certain period of 1948, the price was reported to have touched the record level of Rs. 3/- per maund. We have examined in detail during the public inquiry the causes of such wide fluctuations in prices. A number of factors have been mentioned such as the prevailing high prices of food-grains, competition among the tapioca globule manufacturers themselves and the failure of rains in the producing areas. From the evidence before us, however, we feel that the principal factor responsible for the fluctuations in prices is the competition among the tapioca globule manufacturers themselves. Since practically the entire output of tapioca roots in Salem and its vicinity is taken up by the Salem sago manufacturers, it should be possible to bring these fluctuations under control by eliminating competition among the manufacturers. We, therefore, recommend that the sago manufacturers at Salem should institute a single buying agency on a co-operative basis to purchase the entire quantity of tapioca roots required by the industry and to distribute it among the various units according to their productive capacity. We believe that this would have a salutary effect on the prices of tapioca roots.

7. The outer skin of tapioca tuber is removed by scraping with small knives leaving white tubers containing starch, proteins, etc.

Process of manufacture. The tubers are crushed finely in grinders which are mechanically operated and into which water is

allowed to trickle down through a perforated pipe. The mixture of water and starch which is thus obtained is passed through a cloth screen whereby the starch milk is separated from the fibrous material. The fibrous waste which is obtained during the filtration is taken out, dried and powdered for its subsequent use in the production of paste which is consumed in match factories and in some of the textile mills. The green starch which separates out at the bottom of the settling tanks is taken out after draining the water on the top. It is then spread out over a cement drying yard where the moisture content is reduced by about 50 per cent. The partially dried starch is finely powdered and converted into granules in cloth bags or mechanically operated granulators. The granules are sieved to separate the different sizes and then roasted on hot trays with a little refined oil for 10 to 15 minutes. The surface of the granules gets gelatinized and hardened. The roasted granules are dried in the sun, separated mechanically into individual pearls and then packed in gunny bags for marketing.

8. Tapioca globules are used as food for the invalid and for making puddings. Experiments are being conducted at present at the National Laboratory, Mysore, under the auspices of the subsidiary Food Production Committee, Government of India, for the manufacture of rice-like granules out of tapioca roots. If the experiments prove successful, these granules can, to some extent, be used in place of rice or other cereals.

9. In their memorandum, the Directorate-General of Industries and Supplies have estimated the domestic demand in the country for sago globules at 5,000 tons per annum. The Salem Sago Manufacturers' Association in their memorandum have furnished an estimate of 5,500 to 6,000 tons per annum. During the public inquiry, the representative of the Association revised the Association's previous estimate, stating that it was on the low

side. He was of the opinion that the demand would be between 10,000 and 15,000 tons per annum. The representatives of the importers suggested that the country's annual demand would be of the order of 10,000 to 12,000 tons. The principal markets for sago globules are Bombay and Calcutta. The demand in the Bombay market was stated to be heavy during the month of *Shravan*, when a larger number of fasts are observed by religious people. According to the importers, the demand in the Bombay market is nearly 3,000 tons per annum, while the demand in the Calcutta market is nearly double that of the Bombay market. This estimate of demand in the Calcutta market, however, relates to the year 1947-48, when that market was largely catering to the needs of Eastern Pakistan. After discussing the issue at length during the public inquiry, we came to the conclusion that the annual domestic demand for sago globules may be estimated at about 7,000 tons for the next three years.

10. According to the information furnished by the Indigenous Salem Sago Manufacturers' Association, there production, are at present over forty factories engaged in the production of sago globules with an aggregate rated capacity of 19,500 tons per annum. Owing to the lack of adequate supplies of tapioca roots caused by delayed rains, only 20 factories were reported to be in production at the beginning of this year. The representative of the Salem Sago Manufacturers' Association stated that the production of these factories would be about 8,000 tons. We consider that this estimate is rather on the high side. Taking every factor into consideration, we estimate that the present production would be about 6,000 tons per annum.

11. The consensus of opinion among the importers as Quality of the indigenous product. expressed in their memoranda to the Board as well as in the oral evidence tendered at the public inquiry was that the home product was inferior to the imported one. The principal defect complained of

was that the indigenous product is harder than the imported sago globules. The importers also pointed out that the imported globules were attractive in appearance. From amongst the consumers who were addressed by the Board, the Superintendent of the Government General Hospital, Madras, replied to say that only the home-made globules were used in his hospital and that the quality of the globules was found satisfactory. The Directorate-General of Industries and Supplies in their memorandum observed that the consumers preferred the imported sago globules owing to their characteristic 'earthy' flavour which was absent in the indigenous tapioca globules. In his oral evidence before the Board the representative of the Directorate-General of Industries and Supplies pointed out that the indigenous Manufacturers only gelatinized the outer surface, while the inner portion remained raw. The representative of the Salem Sago Manufacturers' Association, however, maintained that the quality of the globules produced in Salem was in no way inferior to that of the imported sago. The representative of the Hind Laboratories, Bombay, present at the inquiry, was of the opinion that while the quality of the home product produced by some of the factories was up to the mark, the inferior quality produced by the smaller units was attributable to their improper processing. After examining the evidence before us, we have come to the conclusion that, although the product of the indigenous industry taken as a whole is fairly good, there is still some room for improvement. Since no expert advice on the technical problems of the industry is available in the country, we recommend that the industry should obtain the services of a foreign expert or send its technicians abroad for further training, so that the necessary improvement in the quality of the product may be effected and the cost of production appreciably reduced. The manufacturers have agreed that they would send some of their skilled workmen to Singapore and Penang for the necessary training. We recommend that Government should give every

assistance which the industry may need in securing such facilities.

12. Statistics of imports of sago globules are not imports. separately recorded in the Sea-borne Trade Accounts. The Collectors of Customs and the Director-General of Commercial Intelligence & Statistics, Calcutta, who were addressed in this connection, have expressed their inability to furnish the data as no separate records are maintained by them of such imports. Since we are recommending protection to the industry and it would be necessary, if the industry is protected, to keep a watch on its progress, it is suggested that steps should be taken to maintain separately import statistics relating to sago globules and tapioca pearls in terms of quantity and value.

13. The licensing position in respect of imports of import sago globules since January 1949, has been as control. under:-

(i) January to June, 1949.- No licences were to be granted for imports from dollar area and hard currency countries. So far as soft currency and sterling areas were concerned, imports were allowed under O.G.L. XI.

(ii) July to December, 1949.- No licences were to be issued for imports from dollar area, Western Zone of Germany and Switzerland. Issue of licences for soft currency countries was subject to essentiality and monetary ceilings.

(iii) January to June, 1950.- No licences were to be issued for imports from any source.

(iv) July to December, 1950.- No licences will be issued for imports from any source.

14. The relevant extract from the First Schedule to Existing rates the Indian Customs Tariff (Thirty-first Issue) of duty. is reproduced below showing the existing rates of duty on the imports of sago globules and tapioca pearls.

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The United Kingdom	A British Colony	Burma	

11	Sago, Tapioca and Tapioca flour.	pre-ferential revenue	36 per cent <i>ad valorem</i>	-	24 per cent <i>ad valorem</i>	12 per cent <i>ad valorem</i>	
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Tariff Values:

Rs. As. ps./cwt.

Sago seeds from the Far East 30 0 0

Pearl Tapioca from the Far East 30 0 0

15. The Cost Accountant attached to the Board has investigated the cost of production of edible sago globules manufactured by the following two factories:-

Board's estimate of cost of production and fair selling price.

- (1) M. Venkatachalam (Sago) Manufacturers, Salem.
- (2) Sri Venugopal Rice & Oil Mills, Namagiripet, Salem.

The capacity of these two factories is 30 and 20 bags of 200 lbs. each respectively per day. The period chosen for cost investigation was 9 months ended 31st December 1949 and the actual production worked out to about 80 per cent of the above declared capacity. The factory of M. Venkatachalam is one of the very few mechanized units while the

other factory is being operated almost entirely by manual labour. Be in these factories were engaged in the production of only edible sago pearls, along with the production of the by-products resulting from the process of manufacture. The total allowable expenses for the period investigated inclusive of the cost of raw materials were divided by the total output of sago during the period to arrive at the unit cost of production. The yield of sago from tapioca roots was about 22 to 23 per cent by weight of root which means that 4.35 cwt. of tapioca roots yielded 1 cwt. of edible sago. The average purchase price of roots during the period investigated ranged from Rs.1-2-0 to Rs.1-12-0 per maund of 25 lbs. and the average cost per cwt. came to Rs.6-12-6. Almost all the workers were paid on a daily basis and the cost of labour expended on peeling the roots constituted a major portion of the total labour cost. Although the factory of M. Venkatachalam is mechanized, certain items of the processing cost were very high. The difference was most conspicuous in the case of "Repairs and Maintenance" and overheads. As the firm's representatives desired that the figures should be treated as confidential, the detailed cost report is being forwarded to Government as a separate confidential document. Based on the actual cost worked out for these two factories, the average cost of production per cwt. of edible sago globules is as follows:-

Raw material cost	Rs. 29.846
Processing cost	Rs. 7.376
Packing cost	Rs. 1.099
Total	Rs. 38,321
Less credit for materials recovered	Rs. 5.907
Net cost	Rs. 32.414
Add interest on working capital	Rs. 0.324
Total ex-factory cost of production	Rs. 32.738

We are of the opinion that the usual return at 10 per cent on the gross block would not give sufficient margin of profit to the manufacturers as the block invested in this industry is small and such return would work out to about 1 per cent on the ex-factory cost which appears to be very low. We are of the opinion that a profit at 5 per cent on the cost of production would give adequate return to the manufacturers and, with this addition, the fair selling price ex-factory works out to Rs. 34.375 (Rs. 32.738 ÷ Rs. 1.637) or Rs. 34-6-0 per cwt.

16. A statement showing the recent c.i.f. prices and c.i.f. prices landed costs of sago globules as furnished by the leading importers and the Collectors of Customs is given in Appendix V. For the purpose of comparison with the fair selling price of the indigenous product, we have adopted, according to the usual procedure of the Board, the lowest c.i.f. price of a recent consignment imported into the country. Such c.i.f. price and the corresponding landed cost are given below:-

	Rs.	a.	p.
(a) C.I.F. price per cwt.	22	14	4
(b) Customs duty at current tariff value of Rs.30 per cwt.	7	3	2
(c) Clearing charges	1	4	0
Total landed cost per cwt.	31	5	6

17. The following table indicates the level of duty required to protect the indigenous tapioca globules industry on the basis of a comparison between the landed cost, without duty, of the imported sago globules and the fair selling price of the indigenous product as estimated by the Board:

	Per cwt.		
	Rs.	a.	p.
(a) Fair selling price as estimated by the Board	34	5	0
(b) (i) c.i.f. price	22	14	4
(ii) Clearing charges	1	4	0
(c) Landed cost without duty	24	2	4
(d) Difference between fair selling price and landed cost without duty (a) — (c)	10	3	9
(e) (d) as a percentage of c.i.f. price	44.7%		
(f) (d) as a percentage of current tariff value (Rs. 30 per cwt.)	34.1%		
(g) Existing duty	24%		

The usual procedure of the Board, in determining the quantum of protection required by an industry, is to calculate the difference between the fair selling price of the indigenous product and the c.i.f. price of the imported one as a percentage on the c.i.f. price. In the present case, however, a tariff value of Rs. 30 per cwt. has already been fixed with regard to the imports of sago seeds and pearl tapioca from the Far East and as such, the duty required on this basis has also been indicated in the above table. Since Singapore and Penang are practically the only sources of imports, the preferential rate of duty applicable to imports from British Colonies is alone shown in the above comparison.

18. From the figures given in the preceding paragraph, it will be seen that the duty required to equate the fair selling price of the indigenous product with the landed cost, without duty, of the imported one is 45 per cent on the c.i.f. price or 34 per cent on the current tariff value. The industry is essentially a cottage industry which has developed during war-time and has managed to survive despite repeated setbacks received during the last 3 or 4 years (*vide* paragraph 5). The development of cottage industries is of

considerable importance to the agricultural economy of the country, since they help to raise the standard of living of the rural population by providing employment to surplus labour and by creating a supplementary source of income for the agriculturists during the off-season. An industry of this type, therefore, should not be allowed to languish under the impact of foreign competition. Moreover, at a time when we are making every effort to make India self-sufficient with regard to food by 1951, an industry like this which would encourage the cultivation of a subsidiary crop like tapioca and thus add to the food resources of the country, should be adequately safe-guarded. We, therefore, recommend that a protective duty of 35 per cent *ad valorem* on the basis of the current tariff value of Rs. 30 per cwt. should be imposed on the imports of sago globules and tapioca pearls from the British Colonies and that the duty should remain in force up to 31st December, 1952. In order to restore the existing margin of preference in favour of British Colonies, the standard rate of duty should be increased to 47 per cent *ad valorem*. If and when the tariff value is altered during the period of protection, the protective duties should be so adjusted as to ensure to the industry the same quantum of protection as recommended by us.

19. If our proposals for protecting the industry are accepted, the relevant item of the First Schedule to the Indian Customs Tariff (Thirty-first Issue) should be amended as shown on page 17

20. (a) *Ban on imports of tapioca and sago and their products.*—In addition to a protective duty, the industry has asked for a total ban on imports of tapioca and its products in any form and by any name, such as, starch, starch flour, starch powder, sago flour, farina and tapioca pearls and sago seeds of any kind. In this connection, it has been represented that even the importation of a small quantity of foreign sago globules would retard the growth of the industry by

19. Proposed changes in the tariff schedule.

Existing Tariff Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Proposed Tariff Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective duty
				A	Burma					A	Burma	
11(3)	Sago, Tapioca and Tapioca flour. Tariff values:-	Preferential revenue	36 per cent ad valorem	...	24 per 12 per cent ad cent ad valorem valorem	11(3)	Sago, Tapioca and Tapioca flour not otherwise specified.	Preferential revenue	36 per cent ad valorem	...	24 per 12 per cent ad cent ad valorem valorem	...
	Sago seeds from the Far East Rs. 30/- per cwt. Pearl Tapioca from the Far East Rs. 30/- per cwt.					11(6)	Sago seeds and Pearl Tapioca. Tariff values:- Sago seeds from the Far East Rs. 30/- per cwt. Pearl Tapioca from the Far East Rs. 30/- per cwt.	Protective	47 per cent ad valorem	...	35 per 12 per cent ad cent ad valorem valorem	31st December, 1952

offering severe competition to the indigenous product. Sago flour and farina are already subject to a protective duty of 20 per cent *ad valorem*. The question of the manufacture of sago globules from sago flour and other starches was discussed during the public inquiry and the representatives of the manufacturers expressed the view that such manufacture would not be economical, particularly after paying a protective duty of 20 per cent *ad valorem* on starch. A ban on the import of farina and sago flour and other starches would adversely affect the indigenous textile industry. We are, therefore, unable to accede to the industry's request in this regard. So far as sago globules and tapioca pearls are concerned, we think that a certain amount of foreign competition would have a wholesome effect on the indigenous industry, inasmuch as it would induce the producers to strive for an improvement in quality and a reduction in costs of production. At the same time, it should be remembered that the rated capacity of the industry is more than sufficient to meet the domestic demand, although its actual production is much smaller at present. Unrestricted imports of the kind which took place when O.G.L. XI was in operation would affect the growth of the industry and thus entail an unnecessary expenditure of foreign exchange. We recommend, therefore, that so long as import restrictions continue to be maintained for balance of payment considerations, imports of sago globules and tapioca pearls should be carefully regulated with due regard to the domestic production of these articles and the prospects of its further expansion.

(b) *Export facilities.*— The industry has also requested that it should be allowed to export its surplus production. The productive capacity of the industry is more than double the estimated demand of the country and the industry can, therefore, produce for export. It has, however, strong competitors within the sterling area and it will not be able to compete with them in the export markets unless its cost of production is substantially

reduced. We recommend, that, if and when the production of tapioca globules is stepped up appreciably and there is a substantial decrease in the cost of production, necessary facilities should be granted to the industry for exporting the surplus left over after meeting fully the demand in the country.

(c) *Maintenance of statistics.*— We were considerably handicapped during this inquiry owing to lack of accurate data regarding the capacity, production, etc., of the industry. It is in the interest of manufacturers themselves to arrange for the collection of the necessary data by a central agency of their own. We, therefore, recommend that the Salem Sago Manufacturers' Association should take early steps to collect and maintain, with regard to each unit of the industry, up-to-date statistics relating to its capacity, actual monthly production, sales, selling prices, the prices and supplies of the raw material, and other cognate matters.

21. (a) The conditions to be fulfilled by the tapioca globules industry in order to become eligible for protection. gible for protection or State assistance have been enumerated in paragraph 2 above. The first condition to be satisfied is that the industry is established and conducted on sound business lines. As already stated in paragraph 4(b), two units of the industry have been costed by our Cost Accountant. From his cost report as well as from the evidence we have before us, we are satisfied that the principal units in the industry are established and conducted on sound business lines. A large part of the production is being carried on on a cottage industry basis and it would not be proper, therefore, to judge the industry by the standards applicable to more organised industries.

(b) The second condition to be fulfilled is (i) that, having regard to the natural or economic advantages enjoyed by the industry and its actual or probable cost, it is likely within a reasonable time to develop sufficiently to

be able to carry on successfully without protection or State assistance or (ii) that it is an industry to which it is desirable in the national interest to grant protection or assistance and that the probable cost of such protection or assistance to the community is not excessive. With regard to the first part, it may be pointed out that the raw material of the industry, *viz.*, tapioca roots is available in sufficient quantity in Salem and its vicinity, where the industry is largely localised, to enable the industry to work up to its maximum capacity. However, due to the prevailing high prices of tapioca roots the cost of which accounts for nearly 80 per cent of the total cost of production of tapioca globules, the fair selling price of the indigenous product is appreciably higher than the c.i.f. price of the imported article. The prices of tapioca roots have shown wide and violent fluctuations during the last three years. We, however, consider that the tapioca prices can be stabilised at a much lower level if the manufacturers set up a co-operative buying agency as recommended by us in paragraph 6 above. If this is done, the cost of production of tapioca globules could be substantially reduced. Moreover, the measure of protection recommended by us should encourage the industry to set up and expand its production, and this will also result in a lower cost of production. We are, therefore, of the opinion that within a reasonable time the industry should be in a position to dispense with protection. In regard to the second part also, which is alternative to the first, it may be pointed out that an industry of this type is of some importance to the agricultural economy of the country and that the development of this industry would be in consonance with the policy of Government to promote the growth of cottage industries which are ancillary to agriculture. The enhanced rate of protective duty that we have recommended will not impose an appreciable burden on the consumer as explained in the next paragraph. Thus, the industry fulfils the necessary conditions and is, therefore, eligible for protection.

22. Tapioca globules are consumed occasionally in very small quantities except in the case of the invalids, where under medical advice it may be used as a regular diet. Generally speaking, the cost of tapioca globules forms a very small fraction of the total expenditure of an individual on food. That being so, the incidence of the increase in duty from 24 per cent *ad valorem* to 35 per cent *ad valorem* on imports from a British Colony would be quite negligible.

23. In terms of paragraph 2 of the Government of India, Ministry of Commerce, Resolution No. 30-T(1)/48, dated 6th August, 1948 (*vide* Appendix VI), the Board is authorised to maintain a continuous watch over the progress of protected industries and advise Government regarding the necessity or otherwise of modifying the protection or assistance granted; the Board has also to ensure that the conditions attached to the grant of protection are fully implemented and that the protected industries are being run efficiently. In order that the Board may keep an effective watch over the progress of this industry, it is necessary that the Salem Sago Manufacturers' Association should maintain and submit to the Board, on behalf of its members, every six months, progress reports giving detailed cost data and statistics of their production, sales, stocks, selling prices of tapioca globules and such other information regarding the supply of raw materials and other factors as may have a bearing on the efficiency of the industry.

24. Our conclusions and recommendations may be summarised as under:-
 Summary of conclusions and recommendations.

(i) The inquiry is confined to tapioca globules, commercially known as *Sabudana* or *Java Arsi*. (Paragraph 3)

(ii) The Governments of Madras and the United State of Travancore and Cochin should take concerted steps to increase the output of tapioca root in their respective States. [(Paragraph 6 (a))]

(iii) The Governments of Madras and the United State of Travancore and Cochin should collect and maintain up-to-date records relating to tapioca production in their States. [Paragraph 6(a)]

(iv) The sago manufacturers at Salem should institute a single buying agency on a co-operative basis to purchase the entire quantity of tapioca roots required by the industry and to distribute it among the various units according to their productive capacity. [Paragraph 6(b)]

(v) The annual domestic demand for sago globules may be estimated at about 7,000 tons for the next three years. (Paragraph 9)

(vi) We estimate that the present indigenous production of tapioca globules would be about 6,000 tons per annum. (Paragraph 10)

(vii) Although the product of the indigenous industry taken as a whole, is fairly good, there is still some room for improvement in its quality. (Paragraph 11)

(viii) The industry should obtain the services of a foreign expert or send its technicians abroad for further training, so that the necessary improvement in the quality of its product may be effected and the cost of production appreciably reduced. (Paragraph 11)

(ix) Government should give every assistance which the industry may need in securing facilities for the training of its skilled workmen in Singapore and Penang. (Paragraph 11)

(x) If the industry is protected, steps should be taken to maintain separately import statistics relating to sago globules and tapioca pearls in terms of quantity and value. (Paragraph 12)

(xi) The fair selling price, ex-factory, of indigenous tapioca globules has been estimated by us at Rs. 34-6-0 per cwt. (Paragraph 15)

(xii) For the purpose of comparison with the fair selling price of the indigenous product, we have adopted the lowest c.i.f. price of Rs. 22-14-4 per cwt. of a recent consignment of sago globules imported into the country. (Paragraph 16)

(xiii) On the basis of the comparison of the fair selling price of the indigenous product as estimated by the Board and the landed cost, without duty, of the imported sago globules, the duty required to equate the fair selling price with the landed cost without duty is 45 per cent on the c.i.f. price or 34 per cent on the current tariff value, which is Rs. 30 per cwt. We recommend that a protective duty of 35 per cent *ad valorem* on the basis of the current tariff value of Rs. 30 per cwt. should be imposed on the imports of sago globules and tapioca pearls from the British Colonies and the duty should remain in force up to 31st December, 1952. In order to restore the existing margin of preference in favour of British Colonies the standard rate of duty should be increased to 47 per cent *ad valorem*. If and when the tariff value is altered, during the period of protection, the protective duty should be so adjusted as to ensure to the industry the same quantum of protection as recommended by us. (Paragraph 18)

(xiv) If the proposals for protecting the industry are accepted, the relevant item of the First Schedule to the Indian Customs Tariff (Thirty-first Issue) should be amended as given in paragraph 19.

(xv) We are unable to accede to the industry's request for a ban on the imports of farina, sago flour and other starches, as such a ban would adversely affect the indigenous textile industry. [Paragraph 20(a)]

(xvi) So long as import restrictions continue to be maintained for balance of payments considerations, imports of sago globules and tapioca pearls should be carefully

regulated with due regard to the domestic production of these articles and the prospects of its further expansion. [Paragraph 20 (a)]

(xvii) If and when the production of tapioca globules is stepped up appreciably and there is a substantial decrease in the cost of production, necessary facilities should be granted to the industry for exporting the surplus left over after meeting fully the demand in the country. [Paragraph 20 (b)]

(xviii) The Salem Sago Manufacturers' Association should take early steps to collect and maintain, with regard to each unit of the industry, up-to-date statistics relating to its capacity, actual monthly production, sales, selling prices, the prices and supplies of the raw material and other cognate matters. [Paragraph 20 (c)]

(xix) In order that the Board may keep an effective watch over the progress of the industry, it is necessary that the Salem Sago Manufacturers' Association should maintain and submit to the Board, on behalf of its members, every six months, progress reports giving detailed cost data and statistics of their production, sales, stocks, selling price of tapioca globules and such other information regarding the supply of raw materials and other factors as may have a bearing on the efficiency of this industry. (Paragraph 23)

25. We wish to thank the representatives of producers, importers and consumers who supplied us with Acknowledgments. valuable information and tendered evidence before us during the public inquiry. We also wish to thank Mr. V. A. Mehta, Assistant Development Officer of the D.G.I. & S., Mr. H. L. Dutt, Assistant Director of the Office of the Textile Commissioner, Bombay, and Messrs.

S. S. Mehta and S. V. Rajan, the Board's Technical Adviser and Cost Accountant, respectively, for their assistance in connection with this inquiry.

B. V. NARAYANASWAMY,
Member.

B. N. ADARKAR,
Member.

R. DORAISWAMY,
Secretary.

Bombay,
The 14th July 1950.



सत्यमेव जयते

APPENDIX I

(Vide paragraph 1)

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

New Delhi, the 12th May 1949.

R E S O L U T I O N

Tariffs

No. 1-T(4)/49.- In pursuance of paragraphs 2 and 7 of their Resolution in the Department of Commerce No.218-T (55)/45, dated the 3rd November 1945, and paragraph 4 of their resolution bearing the same number, dated the 16th February 1946, the Government of India have decided to refer to the Tariff Board for investigation applications for assistance or protection received from the following industries:-

1. Liver extract, and
2. Sago.

2. In conducting the enquiries, the Board will be guided by the principles laid down in paragraph 5 of the resolution dated the 3rd November, 1945, referred to in paragraph 1 above.

3. Firms or persons interested in any of these industries or in industries dependent on the use of these articles, who desire that their views should be considered by the Tariff Board should address their representations to the Secretary to the Board, Contractor Building, Ballard Estate, Nicol Road, Bombay.

APPENDIX II

(Vide paragraph 4)

List of firms or associations to whom questionnaires were issued and of those who replied to the questionnaire or sent memoranda

* Those who replied or submitted memoranda.

A. PRODUCERS -

1. The Starch Manufacturing Co., Siddar Coil Road, Shevapet, Salem.
2. The Standard Starch Production Co., Shevapet, Salem.
- *3. The Salem Sago Manufacturers' Association, Suramangalam Main Road, Shevapet, Salem.
4. Laxmi & Co. Sago Factory, Shevapet, Salem.
5. Jaya Sago Manufacturing Co., Namagiripet, Salem.

B. IMPORTERS -

1. Import Export Syndicate, Kalbadevi Road, Bombay.
- *2. Waghji Lakhmidas & Co., 82, Khand Bazar, Bombay.
3. B. Vadilal & Co., Khand Bazar, Bombay.
4. J. Adukia, Dalal Street, Bombay.
5. Bajaj Bros. Ltd., Kalbadevi Road, Bombay.
6. K. Jagmohandas & Sons, Tamarind Lane, Fort, Bombay.
7. R. Purushottam & Co., Kazi Syed Street, Bombay.
8. P. Bhujangilal, D'Souza Street, Mandvi, Bombay.
9. B. Shamaldas, Issaji Street, Mandvi, Bombay.
10. Gujarat Trading Co., Khand Bazar, Bombay.
11. R. Tribhuvandas, Samuel Street, Mandvi, Bombay.
12. M. Sanghi & Co., Samuel Street, Bombay.

13. Corn Products Co. (India) Ltd., Waudby Road,
Bombay.
14. D. G. Desai & Co., Churchgate Street, Bombay.
15. Das & Co., Apollo Street, Bombay.
16. Karimji Jeevanji & Co., Kazi Syed Street,
Bombay.
17. W. A. Beardsell & Co. Ltd., Sir P. M. Road,
Bombay.
18. C. Doctor & Co. Ltd., Apollo Street, Bombay.
19. Stare (India) Ltd., Hornby Road, Bombay.
- *20. Sorabji Nowroji & Co., 16, Elphinstone Circle,
Bombay.
21. Jagkumar & Co., 317/21, Hornby Road, Bombay.
22. Ranchhodas Purushottam & Co., 106, Kazi Syed
Street, Bombay.
23. Namazee Bros., Whiteaway Laidlaw Building,
Bombay.
24. Makhnial & Co., Kazi Syed Street, Bombay.
25. Dhirajlal Achichand, Kazi Syed Street, Bombay.
26. Govindji Ruttoonji, 84, New Barden Lane, Bombay 3.
27. Vallabhdas Tejpal, Vadgadi, Bombay.
28. Adam Haji Peermahomed Issak, Kazi Syed Street,
Bombay.
29. Indo Malayan Trading Co., 125, Audiappa Naicker
Street, Madras.
30. Gujarat Travancore Agency, P. B. 55, Cochin.
- *31. The Chandra Trading Co., 26, Great Cotton Road,
Tuticorin.
32. Hassan Kasam Dada, P.B. No. 1226, 9/10, Ander-
son Street, Madras.
33. K. Sowrirajulu Naidu & Co., 1st Line Beach,
Negapattam.
34. Rukmini Parameshwari & Co., 7/307, Bazar Street,
Virudhunagar.
- *35. Maize Starch Products Corporation, Apollo
Street, Bombay.
36. Abdul Shakur Ummar Sahigara & Co., Bombay.

C. CONSUMERS -

1. Hiralal Maganlal, Mudi Bazar, Sak Gali, Bombay 3.
2. Manoharlal Mohanlal, Dadi Seth Agiyari Lane,
Bombay 2.
3. Kuverji Vassanji, Narsinh Nathu Street, Bombay 9.
- *4. The Superintendent, J. J. Group of Hospitals,
Bombay.
5. Dean, K.E.M. Hospital, Parel, Bombay.
- *6. Medical Officer-in-charge, Cama & Allbless Hos-
pitals, Bombay.
- *7. Superintendent, St. George's Hospital, Frere
Road, Bombay.
8. Sir David Sasson Hospital, Poona 1.
9. Presidency General Hospital, 244, Lower Circular
Road, Calcutta.
- *10. Superintendent, Governor General Hospital,
Madras.
11. Sheth Vadilal Sarabhai General Hospital & Sheth
Chinai Maternity Home, Ellisbridge, Ahmedabad.
12. Inspector General of Hospitals, Indore.
13. Civil Surgeon, Surat.
14. Medical Superintendent, Ishwari Hospitals,
Banaras.
15. Civil Surgeon, Ballia.
- *16. Superintendent, G. I. Hospital, Bombay.
- *17. Secretary, Medical College Hospitals, Calcutta.
- *18. Civil Surgeon, Sholapur.
- *19. Civil Surgeon, Poona.
- *20. Director of Medical & Health Services, Govern-
ment of Madhyabharat.

D. CHAMBERS OF COMMERCE AND ASSOCIATIONS -

1. Madras Chamber of Commerce, Dare House, 1st Line
Beach, Madras.
2. Bombay Chamber of Commerce, Mackinnon Mackenzie
Building, Ballard Estate, Bombay 1.

3. Southern India Chamber of Commerce, Indian Chamber Building, North Beach, Madras.
4. Salem District Chamber of Commerce, Salem.
5. Bengal Chamber of Commerce, Royal Exchange Building, 2, Netaji Subhas Road, Calcutta.
6. The Madras Kirana Merchants' Association, 18, Audiappa Naick Street, Madras.

E. OFFICIALS -

- *1. D.G.I. & S., New Delhi.
- *2. Ministry of Agriculture, New Delhi.
- *3. Indian Council of Agricultural Research.
New Delhi.
- *4. Subsidiary Food Production Committee, Ministry of Food, New Delhi.
5. Director of Industries & Commerce, Government of Madras, Madras.



सत्यमेव जयते

APPENDIX III
(Vide paragraph 4)

List of persons who attended the public inquiry held
on 29th May, 1950

PRODUCERS -

- | | | |
|--------------------------|--------------|---|
| 1. Mr. K. Venkatachalam | Representing | The Salem Sago Manufacturers' Association, Salem. |
| 2. Mr. N. Jagannathan | " | -Do- |
| 3. Mr. Chinubhai Lalbhai | " | Hind Laboratories Ltd. Bombay. |

IMPORTERS -

- | | | |
|------------------------------|---|---------------------------------|
| 1. Mr. Minoo Jehangir Lawyer | " | Sorabji Nowroji & Co., Bombay. |
| 2. Mr. V. R. Parikh | } | Waghji Lakhmidas & Co., Bombay. |
| 3. Mr. J. M. Mehta | | |

CONSUMER -

- | | | |
|---------------|---|--------------------------------|
| Dr. S. K. Das | " | St. George's Hospital, Bombay. |
|---------------|---|--------------------------------|

OFFICIALS & OTHERS -

- | | |
|---|---|
| 1. Mr. V. A. Mehta,
Assistant Development Officer (Food), D.G.I. & S.,
New Delhi. | |
| 2. Mr. H. L. Dutt,
Assistant Director,
Office of the Textile Commissioner,
Bombay. | |
| 3. Mr. R. G. Manudhane | Representing The India United Mills Ltd., Bombay. |

APPENDIX IV

(Vide paragraph 5)

List of tapioca-globules manufacturers

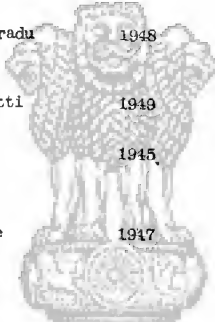
Name and address of the factory.	Location	Date of commencement of production	Total capital invested by the firm in this industry.	Total number of workers employed by the firm in this firm.
(a)	(b)	(c)	(d)	(e)
1. M. Venkatachalam, Sago Merchant, Annathanapatti, Salem.	Nethimedu, Salem.	1-9-46	Rs. 50,000	500 workers 10 employees
2. The Starch Manufacturing Co., Sidderkoil Road, Shevapet, Salem.	Sidderkoil Road, Salem.	17-5-44	Rs. 1,20,000	175 cooly workers per day. 7 permanent employees
3. Jothi Mills, Gandhi Nagar, Shevapet, Salem.	Gandhi Nagar, Salem.	1947	Rs. 50,000	600 workers
4. The Salem Sago Supplies Co., Mayyanur Road, Sago Merchant.	Mayyanur Road, Salem.	1948	Rs. 20,000	250 workers
5. A. Manickkum and Co., Sago Factory.	Ayothipatnam	1948	Rs. 20,000	Females 12 Workers 15
6. Lucky & Co., Suramangalam Road.	Suramangalam Main Road.	1-4-1949	Rs. 10,000	Males 25 Females 20
7. E. C. Abboy Chetty, Sago Factory, Salem.	Salem	1943	Rs. 10,000	Females 15 Workers 7
8. K. S. Shunmugam & Brothers.	Peria Eluthukara Street, Shevapet, Salem.	1946	Rs. 25,000	Females 22 Workers 8
9. Sri Murugan Sago Factory, Annathanapatti, Salem.	Nethimedu, Salem.	12-7-48	Rs. 10,000	Females 10 Workers 5

33					
(a)	(b)	(c)	(d)	(e)	
1. E.R. Perumal Chettiar, Sago Factory, Shevapet.	Annadhanapatti Main Road, Salem.	1946	Rs. 5,000	Females 13 Workers 11	
2. The Salem Sago Sizing Products & Co., Suramangalam Road, Salem.	Suramangalam Main Road, Salem.	17-10-48	Rs. 25,000	Females 20 Workers 15	
3. E.R. Venkata-Jalam Sago Factory, Shevapet.	Annadhanapatti Main Road, Salem.	1948	Rs. 20,000	Coolies Females 20 Males 10	
4. K. Velu Chettiar Sago Factory, Leigh Bazar, Shevapet, Salem.	Leigh Bazar, Salem.	15-6-49	Rs. 15,000	Females 15 Workers 10	
5. S.A. Amildass Shevapet, Salem.	Sidder Koil Road, Salem.	1946	Rs. 30,000	Females 30 Workers 100	
6. S. Manicka Mudaliar, Sago Works, Suramangalam Road, Salem.	Suramangalam Main Road, Salem.	23-9-47	Rs. 5,000	Females 8 Workers 7	
7. Shunmuga Sago Manufacturers, Mallur (P.O.), Salem Dt.	Mallur P.O., Salem Dt.	24-11-47	Rs. 17,000	Females 12 Workers 14	
8. K. Kuppuswamy & Co., Ayodhiapatnam.	Ayodhiapatnam	1949	Rs. 10,000	Females 8 Workers 7	
9. Sri. Venugopal Sago Rice Mills, Namagiripettai (P.O.), Salem Dt.	Namagiripettai P.O., Salem Dt.	1-2-46	Rs. 5,000	Females 60 Workers 90	
10. The Star of India Sago Factory, Ammapalayam, Mallur P.O., Salem Dt.	Ammapalayam, Mallur P.O., Salem Dt.	16-4-48	Rs. 20,000	Females 15 Workers 10	
11. Venkatachalam Chetty, Mallur P.O., Mettur.	Mallur P.O., Mettur.	2-3-48	Rs. 12,000	Females 11 Workers 9	

(a)	(b)	(c)	(d)	(e)
21. Muniswarier Mills, Sago Factory, Minnampalli.	Minnampalli	4-4-47	Rs. 75,000	Females 22 Workers 35
22. The Sun Starch Industries, Mallur, Salem Dt.	Mallur P.O., Salem Dt.	2-10-47	Rs. 25,000	Females 12 Workers 33
23. Sri Gopala-Krishna Mills Sago Factory, Chinnakavari, Namagiripettai (P.O.), Rasipuram Tk.	Chinnakavari, Namagiripettai P.O., Rasipuram, Taluk.	14-11-4	Rs. 35,000	Permanent coolies Workers
24. M.M. Yoo-soof & Sons, Portonovo (South Arcot) Sago Factory, Parinkaipattai.	Parinkaipattai	1945	Rs. 50,000	Females Workers
25. C. Annasi Naicker Sago Manufacturer, Salem Dt. Mallur P.O., Salem Dt.	Mallur P.O..	3-9-1947	Rs. 35,000	Females Workers
26. P.K. Sundar-gounder & Co., Sago Factory, Pachudayam-palayam, Namagiripet P.O., Salem (Dt.).	Pachudayam-palayam, Namagiripet, Salem (Dt.).	16-2-49	Rs. 25,000	Females Workers
27. C. Ghinnusamy & Co., Rasipuram Sago Merchant, Rasipuram, Salem (Dt.).	Rasipuram (Salem Dt.).	1948	Rs. 40,000	Females Workers
28. K.P. Dhanaraj & Co., Sago Factory, Mallur P.O., Mettur.	Mallur P.O., Mettur.	1947	Rs. 35,000	Females Workers
29. K. Rangaswamy Gounder Sago Factory, Kolligipatti, Rasipuram (Tk.).	Kolligipatti, Rasipuram Tk.	1945	Rs. 15,000	Permanent coolies Piece work coolies

सत्यमेव जयते

(a)	(b)	(c)	(d)	(e)
30. New Shunmuga Sago Rice Mills, Seerapalli.i.	Seerapalli	11-9-47	Rs. 30,000	Females 15 Workers 15
31. Krishna Sago Factory, Mallikari, Attur Taluk.	Mallikari, Attur Taluk.	14-1-48	Rs. 35,000	Females 15 Workers 12
32. Sri Murugananda Sago Rice Mills, Attayampatti.	Attayampatti	17-3-1949	Rs. 25,000	Females 18 Workers 6
33. T. Ramaswamy Gounder & Co. Sago Factory, Kailasampalayam.	Kailasampalayam	1-2-49	Rs. 15,000	Females 8 Workers 13
34. Raja Rajeswari Mills, Sago Factory,	Thoppia-Naickampatti.	1948	Rs. 15,000	Permanent coolies 15 Piece coolies 25
35. Lakshmi Sago Factory (M. Ramasami Udayar), Cellampatti.	Cellampatti	1949	Rs. 50,000	Females 90 Workers 110
36. K. Chinnathambi Udayar (Minnampalli).	Minnampalli	1947	Rs. 30,000	Females 30 Workers 20
37. S. Kandappa Gounder, Poimankaradu.	Poimankaradu	1948	Rs. 20,000	Females 15 Workers 20
38. A. Ramu Sago Factory,	Cellampatti	1949	Rs. 15,000	Females 10 Workers 17
39. K.R. Govindaraju Chettiar, Ballur.	Ballur	1945	Rs. 50,000	Females 30 Workers 60
40. Periyasamy Iyer, Sago Factory, Cuddalore.	Cuddalore	1947	Rs. 20,000	Females 25 Workers 30
41. Palaniyandavar Mills, Thoppampatti, Jedarpalayam P.O., Rasipuram Taluk.		1-3-49	Rs. 15,000	Females 11 Workers 16



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(a)	(b)	(c)	(d)	(e)
42. The Starch Manufacturing Co., Siddar Coil Road, Shevapet Salem.				
43. The Standard Starch Production Co., Shevapet, Salem.				
44. Laxmi & Co., Sago Factory, Shevapet, Salem.				
45. Jaya Sago Manufacturing Co., Namagiripet.				



सत्यमेव जयते

APPENDIX V

(vide paragraph 18)

Statement showing the break-down of landed cost into c.i.f., customs duty and clearing charges of sago globules

Source of information	Origin of Import	Date of Import	Type & Specification	C. i. f. Rs. as. p.	Customs duty Rs. as. p.	Clearing charges Rs. as. p.	Landed cost Rs. as. p.	Selling price Rs. as. p.	Remarks
(1) Sorabji Nowroji & Co., 16, Elphinstone Circle, Fort, Bombay-1.				27 0 0	8 8 0	6 8 0	34 0 0	35/38 0 0	
(2) Wadhji Lakmidas & Co., 82, Khand Bazar, Mandvi, Bombay.				28 11 0	8 12 0	1 4 0	37 11 0	38 8 0	
(3) Maize Starch Products, Corporation, 32, Apollo Street, Fort, Bombay.				22 11 0	8 12 0	1 4 0	37 11 0	38 8 0	
(4) Collector of Customs, Madras.	Straits Settlements.	1-6-1948		45 14 0	0 0 0				
(5) Collector of Customs, Calcutta.	Malaya	March 1950.	Ordinary European	22 14 4	28 14 1				
(6) Collector of Customs, Bombay.	Straits Settlements.	February 1950.		21 0 0	20 0 0				
				25 0 0					

APPENDIX V'
(Vide paragraph 23)

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

New Delhi, the 5th August, 1948

RESOLUTION
Tariffs

No. 30/T(1)/48-- In their Resolution No.218-T(55)/45, dated the 3rd November, 1945, as partially modified by Resolution No.28-T(37)/47, dated the 26th November, 1947, the Government of India constituted a Tariff Board for the discharge of the duties specified in the Resolution cited above. It has now been decided that the Board shall be entrusted with the following functions in addition to those enumerated in paragraph 5 of the Department of Commerce Resolution No.218-T(55)/45, dated the 3rd November 1945, and paragraph 2 of the Ministry of Commerce Resolution No. 28-T(37)/47, dated the 26th November, 1947:

(1) to enquire, as and when required by Government, into the cost of production of a commodity produced in the country and to determine its wholesale, retail or other prices, and to report on the same;

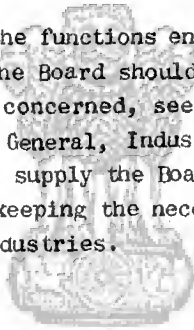
(2) to recommend to Government, as and when required, measures necessary for the protection of India's industries from dumping from abroad;

(3) to undertake studies, as and when necessary, on the effects of *ad valorem* and specific duties and tariff valuations on various articles and the effects on tariff concessions granted to other countries; and

(4) to report to Government, as and when necessary, on combinations, trusts, monopolies and other restraints on trade, which may tend to affect the industries enjoying protection by restricting production, or maintaining or raising prices and to suggest ways and means of preventing such practices.

2. The Tariff Board is also hereby authorised to maintain a continuous watch over the progress of protected industries by conducting enquiries, as and when necessary, on the effect of the protective duties or other means of assistance granted, and advise Government regarding the necessity or otherwise of modifying the protection or assistance granted. The Board should also keep a careful watch to ensure that conditions attached to the grant of protection were fully implemented and that the protected industries were being run efficiently.

3. In discharging the functions enumerated in paragraph 2 of this Resolution, the Board should, in the case of all industries where he is concerned, seek the assistance and advice of the Director General, Industry and Supply as an organisation, which will supply the Board with the technical assistance required in keeping the necessary watch over the growth of protected industries.



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